

Before the Public Service Commission of Wisconsin

**Application of Milwaukee Water Works,
Milwaukee County, Wisconsin, for
Authority to Increase Water Rates**

Docket No. 3720-WR-107

Joint Comments of the Metropolitan Milwaukee Association of Commerce, Midwest Food Processors Association and Wisconsin Manufacturers and Commerce

The Metropolitan Milwaukee Association of Commerce (MMAC) represents nearly 2,000 member businesses employing over 300,000 workers in the metropolitan Milwaukee region. The MMAC is also a founding partner of the Milwaukee 7 regional economic development partnership. As such, we take a keen interest in proposals like this one which would impact the costs and competitiveness of our regional businesses and our regional economy.

The Midwest Food Processors Association (MWFPA) represents the food processing industry before the legislature and regulatory agencies in Wisconsin, Illinois, and Minnesota. The association represents 17 food processing companies with over 100 facilities in the three-state area and an additional 250 companies in allied industries. A safe and adequate supply of water is essential to the food processing industry which relies on it for sanitation, safety and consumptive uses.

Wisconsin Manufacturers & Commerce (WMC) is a voluntary association of businesses with nearly 4,000 members in the State of Wisconsin. WMC is the largest representative of Wisconsin businesses and its members include both large and small manufacturers, service companies, local chambers of commerce and specialized trade associations. WMC members employ approximately one quarter of the private-sector workforce in Wisconsin. WMC includes as members many major industrial water users within the Milwaukee Water Works (MWW) service territory.

MMAC, MWFPA and WMC understand that MWW has to spend money to maintain its infrastructure, and that MWW's costs, like those of many Milwaukee-area businesses, are rising. For the financial health of MWW, Milwaukee needs to attract and retain high-volume water users. As such, it is critical that Milwaukee provide a business environment in which a solid base of industrial customers can thrive, which will, in turn, allow those industrial customers to support MWW's revenue requirements. More industrial customers using more water will help MWW address its overcapacity issues and defray the costs of future maintenance across a broader pool of ratepayers. Also, minimizing increases in utility costs will allow Milwaukee businesses to hire additional employees, an indisputably good thing in today's economic environment.

The Public Service Commission staff originally proposed a rate structure that would have increased water rates for large urban industrial customers by nearly 50%, while the average increase for all customer classes would have been 28.5%. Such a rate increase would impose significant hardship on industrial customers, and could provide a disincentive to job creation and retention within MWW's service territory, hurting MWW's long-term financial health. The Staff has since revised its suggested increase for the largest urban industrial customers to about 33%, and lowered the increase for all urban industrial customer classes to 26.7%. Even though this is

an improvement, the large urban industrial customers are still penalized relative to other ratepayers.

As such, MMAC, MWFPa and WMC urge the Public Service Commission to adopt a rate structure that would lower rates for industrial and commercial classes. Bold action is needed to attract more businesses to Milwaukee and to retain the companies located there. Water rate increases would only serve as one more disincentive for companies to locate and stay in Milwaukee. Water rate increases would serve as yet another tax increase on industry in Wisconsin. Wisconsin businesses have hardly recovered from the recession and now is not the time to burden business with another increase in the cost of doing business in Milwaukee. Water rate decreases could serve to help make Milwaukee a magnet to attract new water-intensive businesses, and play a key role in ensuring the long-term financial health and viability of MWW.

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